

**IN THE UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF OHIO
EASTERN DIVISION**

STATE OF OHIO, ex rel. DAVID P. JOYCE)		
PROSECUTING ATTORNEY OF GEauga))	Case No. 1:11-cv-2474-JG
COUNTY, OHIO,)	
)	Hon. James S. Gwin
Plaintiff,)	
)	
v.)	ANSWER AND AFFIRMATIVE
)	DEFENSES OF DEFENDANT
MERSCORP, INC., et al.,)	<u>PMI MORTGAGE SERVICES CO.</u>
)	
Defendants.)	

Pursuant to Rule 8 of the Federal Rules of Civil Procedure, defendant PMI Mortgage Services Co. (“PMI Mortgage Services”) through its counsel, hereby submits its Answer and Affirmative Defenses in response to the Class Action Complaint (“Complaint”) of plaintiff, the State of Ohio (purporting to act through the Geauga County, Ohio prosecuting attorney, David P. Joyce) (“Plaintiff”). Except as expressly admitted or denied herein below, PMI Mortgage Services is without knowledge or information sufficient to form a belief as to the truth of the allegations of each and every paragraph of the Complaint.

The unnumbered, introductory paragraph of the Complaint sets forth Plaintiff’s characterization of this action and legal conclusions to which no response is required.

NATURE OF THE ACTION

1. PMI Mortgage Services denies the allegations set forth in paragraph 1 of the Complaint.
2. PMI Mortgage Services denies the allegations set forth in the first sentence of paragraph 2 of the Complaint. PMI Mortgage Services is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in the second sentence of

paragraph 2 of the Complaint.

3. PMI Mortgage Services is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 3 of the Complaint.

4. To the extent the allegations set forth in paragraph 4 of the Complaint are directed to PMI Mortgage Services, those allegations are denied, inclusive of subparts (a) and (b). PMI Mortgage Services is otherwise without knowledge or information sufficient to form a belief as to the truth of the remaining allegations set forth in paragraph 4 of the Complaint.

5. To the extent the allegations set forth in paragraph 5 of the Complaint are directed to PMI Mortgage Services, those allegations are denied. PMI Mortgage Services is otherwise without knowledge or information sufficient to form a belief as to the truth of the remaining allegations set forth in paragraph 5 of the Complaint.

6. To the extent the allegations set forth in paragraph 6 of the Complaint are directed to PMI Mortgage Services, those allegations are denied. PMI Mortgage Services is otherwise without knowledge or information sufficient to form a belief as to the truth of the remaining allegations set forth in paragraph 6 of the Complaint.

7. To the extent the allegations set forth in paragraph 7 of the Complaint are directed to PMI Mortgage Services, those allegations are denied. PMI Mortgage Services is otherwise without knowledge or information sufficient to form a belief as to the truth of the remaining allegations set forth in paragraph 7 of the Complaint.

8. To the extent the allegations set forth in paragraph 8 of the Complaint are directed to PMI Mortgage Services, those allegations are denied. PMI Mortgage Services is otherwise without knowledge or information sufficient to form a belief as to the truth of the remaining allegations set forth in paragraph 8 of the Complaint.

JURISDICTION AND VENUE

9. PMI Mortgage Services denies that the Court of Common Pleas for Geauga County, Ohio has subject matter jurisdiction over this matter. The remainder of paragraph 9 of the Complaint sets forth legal conclusions to which no response is required. To the extent a further response is required, PMI Mortgage Services is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 9 of the Complaint.

10. Count 10 of the Complaint sets forth legal conclusions to which no response is required. To the extent a further response is required, PMI Mortgage Services does not dispute that the jurisdiction of the United States District Court for the Northern District of Ohio has jurisdiction over PMI Mortgage Services with respect to this matter, and is otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 10 of the Complaint.

PARTIES

11. PMI Mortgage Services is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 11 of the Complaint.

12. PMI Mortgage Services is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 12 of the Complaint.

13. PMI Mortgage Services is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 13 of the Complaint.

14. PMI Mortgage Services is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 14 of the Complaint.

15. PMI Mortgage Services is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 15 of the Complaint.

16. PMI Mortgage Services is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 16 of the Complaint.

17. PMI Mortgage Services is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 17 of the Complaint.

18. PMI Mortgage Services is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 18 of the Complaint.

19. PMI Mortgage Services is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 19 of the Complaint.

20. PMI Mortgage Services is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 20 of the Complaint.

21. PMI Mortgage Services is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 21 of the Complaint.

22. PMI Mortgage Services is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 22 of the Complaint.

23. PMI Mortgage Services is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 23 of the Complaint.

24. PMI Mortgage Services is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 24 of the Complaint.

25. PMI Mortgage Services is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 25 of the Complaint.

26. PMI Mortgage Services is without knowledge or information sufficient to form a

belief as to the truth of the allegations set forth in paragraph 26 of the Complaint.

27. PMI Mortgage Services admits that it is a corporation organized under the laws of the State of California, with offices at 3003 Oak Road, Walnut Creek, CA 94597, and that its registered agent in Ohio is CT Corporation System. The remaining allegations set forth in paragraph 27 of the Complaint are legal conclusions to which no response is required. To the extent a further response is required, PMI Mortgage Services admits that it has conducted certain business in the State of Ohio, and denies that those business activities have anything to do with the allegations of the Complaint. PMI Mortgage Services is otherwise without knowledge or information sufficient to form a belief as to the truth of the remaining allegations set forth in paragraph 27 of the Complaint.

28. PMI Mortgage Services is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 28 of the Complaint.

29. PMI Mortgage Services is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 29 of the Complaint.

30. PMI Mortgage Services is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 30 of the Complaint.

31. PMI Mortgage Services is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 31 of the Complaint.

32. PMI Mortgage Services is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 32 of the Complaint.

FACTUAL STATEMENT

33. PMI Mortgage Services is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 33 of the Complaint.

34. Paragraph 34 sets forth legal conclusions to which no response is required, and the statute quoted in paragraph 34 of the Complaint speaks for itself as to its content. To the extent a further response is required, PMI Mortgage Services denies the allegations set forth in paragraph 34 of the Complaint.

35. The statute quoted in paragraph 35 of the Complaint speaks for itself as to its content. PMI Mortgage Services is otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 35 of the Complaint.

36. PMI Mortgage Services is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 36 of the Complaint.

37. PMI Mortgage Services is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 37 of the Complaint inclusive of subparts (a) and (b).

38. PMI Mortgage Services is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 38 of the Complaint.

39. In responding to the allegations set forth in paragraph 39 of the Complaint, PMI Mortgage Services states that it is not a member of MERS and therefore PMI Mortgage Services is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 39 of the Complaint.

40. PMI Mortgage Services is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 40 of the Complaint.

41. PMI Mortgage Services is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 41 of the Complaint.

42. PMI Mortgage Services is without knowledge or information sufficient to form a

belief as to the truth of the allegations set forth in paragraph 42 of the Complaint inclusive of subparts (a) and (b).

43. PMI Mortgage Services is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 43 of the Complaint.

44. PMI Mortgage Services is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 44 of the Complaint.

45. PMI Mortgage Services is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 45 of the Complaint.

46. PMI Mortgage Services is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 46 of the Complaint.

47. PMI Mortgage Services is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 47 of the Complaint inclusive of subparts (a) through (c).

48. PMI Mortgage Services is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 48 of the Complaint.

49. PMI Mortgage Services is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 49 of the Complaint.

50. PMI Mortgage Services is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 50 of the Complaint.

51. PMI Mortgage Services is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 51 of the Complaint.

CLASS ALLEGATIONS

52. PMI Mortgage Services denies the allegations set forth in paragraph 52 of the

Complaint.

53. PMI Mortgage Services denies the allegations set forth in paragraph 53 of the Complaint.

54. PMI Mortgage Services denies the allegations set forth in paragraph 54 of the Complaint, inclusive of subparts (a) through (d).

55. PMI Mortgage Services denies the allegations set forth in paragraph 55 of the Complaint, inclusive of subparts (a) through (c).

56. PMI Mortgage Services denies the allegations set forth in paragraph 56 of the Complaint.

57. PMI Mortgage Services is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 57 of the Complaint.

58. PMI Mortgage Services denies the allegations set forth in paragraph 58 of the Complaint.

59. PMI Mortgage Services denies the allegations set forth in paragraph 59 of the Complaint, inclusive of subparts (a) through (d).

FIRST CAUSE OF ACTION

60. In response to paragraph 60 of the Complaint, PMI Mortgage Services incorporates the responses set forth in each of the preceding paragraphs as if fully restated herein.

61. Paragraph 61 of the Complaint sets forth legal conclusions to which no response is required. To the extent a further response is required, PMI Mortgage Services is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 61 of the Complaint.

62. To the extent the allegations set forth in paragraph 62 of the Complaint are directed to PMI Mortgage Services, those allegations are denied. PMI Mortgage Services is otherwise without knowledge or information sufficient to form a belief as to the truth of the remaining allegations set forth in paragraph 62 of the Complaint.

63. To the extent the allegations set forth in paragraph 63 of the Complaint are directed to PMI Mortgage Services, those allegations are denied. PMI Mortgage Services further denies that plaintiff and the putative class members are entitled to the relief they seek. PMI Mortgage Services is otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 63 of the Complaint.

64. To the extent the allegations set forth in paragraph 64 of the Complaint are directed to PMI Mortgage Services, those allegations are denied. PMI Mortgage Services further denies that plaintiff and the putative class members are entitled to the relief they seek. PMI Mortgage Services is otherwise without knowledge or information sufficient to form a belief as to the truth of the remaining allegations set forth in paragraph 64 of the Complaint.

SECOND CAUSE OF ACTION

65. In response to paragraph 65 of the Complaint, PMI Mortgage Services incorporates the responses set forth in each of the preceding paragraphs as if fully restated herein.

66. To the extent the allegations set forth in paragraph 66 of the Complaint are directed to PMI Mortgage Services, those allegations are denied. PMI Mortgage Services is otherwise without knowledge or information sufficient to form a belief as to the truth of the remaining allegations set forth in paragraph 66 of the Complaint.

67. To the extent the allegations set forth in paragraph 67 of the Complaint are

directed to PMI Mortgage Services, those allegations are denied. PMI Mortgage Services is otherwise without knowledge or information sufficient to form a belief as to the truth of the remaining allegations set forth in paragraph 67 of the Complaint.

68. To the extent the allegations set forth in paragraph 68 of the Complaint are directed to PMI Mortgage Services, those allegations are denied. PMI Mortgage Services is otherwise without knowledge or information sufficient to form a belief as to the truth of the remaining allegations set forth in paragraph 68 of the Complaint.

69. To the extent the allegations set forth in paragraph 69 of the Complaint are directed to PMI Mortgage Services, those allegations are denied. PMI Mortgage Services is otherwise without knowledge or information sufficient to form a belief as to the truth of the remaining allegations set forth in paragraph 69 of the Complaint.

RESPONSE TO PRAYERS FOR RELIEF

The remainder of the Complaint sets forth Plaintiff's prayers for relief, to which no response is required. To the extent that a further response is required, PMI Mortgage Services denies that Plaintiff is entitled to the relief it seeks and prays that the Court dismiss this action, award PMI Mortgage Services its attorneys' fees and costs incurred in defending this lawsuit, and order such other relief as the Court deems just and necessary.

AFFIRMATIVE DEFENSES

First Affirmative Defense

The Complaint fails to state a claim upon which relief can be granted against PMI Mortgage Services.

Second Affirmative Defense

The Complaint and each of the causes of action are barred, in whole or in part, by application of the doctrines of ratification, waiver, and estoppel, or other equitable doctrines.

Third Affirmative Defense

The Complaint and each of the causes of action are barred, in whole or in part, because Plaintiff has failed to mitigate its alleged damages.

Fourth Affirmative Defense

The Complaint and each of the causes of action are barred, in whole or in part, because any alleged acts or failures to act on the part of PMI Mortgage Services were excused by the actions of Plaintiff or others.

Fifth Affirmative Defense

If Plaintiff suffered an injury, which PMI Mortgage Services denies, such injury was caused by the conduct of others for whose conduct PMI Mortgage Services is not responsible.

Sixth Affirmative Defense

Plaintiff, by its knowledge, statements, or conduct, has consented or acquiesced to the alleged acts or omissions of PMI Mortgage Services described in the Complaint.

Seventh Affirmative Defense

The Complaint and each of the causes of action are barred, in whole or in part, because Plaintiff expressly, ostensibly, or implicitly authorized or ratified the transactions, acts, or omissions at issue.

Eighth Affirmative Defense

The Complaint and each of the causes of action are barred, in whole or in part, because Plaintiff would be unjustly enriched if allowed to recover on the Complaint.

Ninth Affirmative Defense

PMI Mortgage Services is not liable for any claims by Plaintiff because PMI Mortgage Services' conduct at all times was in good faith.

Tenth Affirmative Defense

The Complaint and each of the causes of action are barred, in whole or in part, because Plaintiff lacks standing as to some or all of the claims in the Complaint.

Eleventh Affirmative Defense

The Complaint and each of the causes of action are barred, in whole or in part, by application of the doctrine of laches.

Twelfth Affirmative Defense

Some or all of Plaintiff's claims are barred by the applicable statute of limitations.

Thirteenth Affirmative Defense

PMI Mortgage Services states that it presently has insufficient knowledge or information on which to form a belief as to whether it may have additional, as yet unstated affirmative defenses. PMI Mortgage Services reserves its right to file an amended Answer asserting additional defenses as may be deemed appropriate under the circumstances.

Dated: December 12, 2011

/s/ James L. DeFeo

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Counsel for PMI Mortgage Services Co.

CERTIFICATE OF SERVICE

I certify that a copy of the foregoing was electronically filed on December 12, 2011.

Notice of this filing will be sent to the parties by operation of the Court's electronic filing system.

Parties may access this filing through the Court's system. Notice will also be sent by electronic mail to counsel for those parties that have not yet entered an appearance.

/s/ *James L. DeFeo*

Counsel for PMI Mortgage Services Co.